GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration Department – Property Tax – Waiver off interest on arrears of Property Tax upto the year 2024-2025 as one time measure in Municipalities and Municipal Corporations – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (C2) DEPARTMENT

G.O.MS.No. 46 Dated: 25-03-2025
Read:-

From the Commissioner & Director of Municipal Administration, Vaddeswaram e-file No.MAU02-14034/246/2018-K SEC-CDMA.

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O R D E R:-

In the reference read above, the Commissioner & Director of Municipal Administration, Vaddeswaram has reported that as per provisions of the AP Municipalities Act, 1965 and the Municipal Corporation Act, 1955, property tax demand will be generated for two half years (i.e., 1st Half Year – 1st April to 30th September and 2nd Half Year – 1st October to 31st March) on 1st April every year for all ULBs. He has further reported that, as per Section 91 of AP Municipalities Act, 1965 and Section 269 (2) of Municipal Corporation Act, 1955 – "a simple interest at the rate of two percent (2%) per month shall be charged in case of failure to pay property tax by the end of the month of June for the first half year and by the end of the month of December for the second half year."

2. The C&DMA, AP has also reported that, though the Government had issued orders in G.O.Ms.No.35, dated:29.02.2024 to waive-off the interest accumulated on arrears and current year of property tax i.e., up to the year 2023-24 as one-time measure in all ULBs, provided the assesse pays the total arrears and current year tax in one lump sum on or in installments on or before 31.03.2024 and to adjust the interest already paid by the tax payers on arrears towards the future tax payments, the property tax collections in the financial year 2023-24 was not up to mark as all Municipal Staff were engaged in duties related to Assembly Elections -2024.

3. Further, as per operational guidelines under 15th Finance Commission, it is mandatory on the part of ULBs to show consistent improvement in the collection of property tax in line with growth rate of State's own GDP from the financial year 2025-26, to get eligibility for claiming the 15th Finance Grant.

4. In the above context, the C&DMA, AP has requested the Government to consider 50% waive-off the interest accumulated on arrears of property tax up to the year 2024-25 as one time measure in all ULBs so as to improve the Collections of ULBs, give benefit of waiver of 50% interest to the taxpayers and to encourage them to settle the long pending dues, critical cases & court cases amicably out of court.

(P.T.O)

5. Government, after careful examination of the matter keeping in view the objective to improve the Collections of ULBs as well as welfare of the assesses and in exercise of the powers conferred under the Section 387-A of the AP Municipalities Act, 1965 under the Section 679-E of Municipal Corporations Act, 1955 hereby order:

(i) to waive-off 50% of the interest accumulated on arrears and current year property tax (Buildings and Vacant Lands) dues up to the financial year 2024-25 as one-time measure in all ULB's, provided the assesse pays the total property tax arrears and current year dues together with 50% interest in one lump sum on or before **31.03.2025** and

(ii) to adjust the interest already paid by the Tax payers on arrears and on current year demand during the current financial year i.e., 2024-25 towards the future property tax payments up to the extent 50% of interest paid and no cash refund shall be made, subject to clearance of all dues by **31.03.2025.**

6. The Commissioner & Director of Municipal Administration, Vaddeswaram shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SURESH KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner & Director of Municipal Administration, Vaddeswaram
Copy to:-
The Commissioners of all ULBs(through CDMA)
The Commissioner, I&PR Department, AP, Vijayawada.
For information and to give wide publicity in all the medias.
The PS to Prl.Secy to the Hon'ble Chief Minister.
The OSD to Hon'ble Minister for MA&UD Department.
The PS to Principal Secretary to Govt., MA&UD Department.
Sf/Sc.(Computer No.739116)

//FORWARDED :: BY ORDER //

SECTION OFFICER